



National School Fitness Foundation

"Healthier Kids are Happier Kids"

FOR IMMEDIATE RELEASE

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New Board Removes Old President, Foundation Files Complaint Foundation Declares Bankruptcy, Welcomes New President in Effort to Reorganize

National—The National School Fitness Foundation filed a complaint Wednesday, June 9, against Cameron J. Lewis (NSFF founder/recently removed president), his father Tyron Lewis (now-resigned NSFF board chairman), Lewis Farms and others.

The complaint by the Foundation includes, but is not limited to, the claim that the above-mentioned defendants received excessive benefit and breached their fiduciary duty to the Foundation and their constituents, as officers and directors of NSFF.

A record of the filing can be found on the United States Bankruptcy Court District of Utah Web site(www.utb.uscourts.gov) under the filing "04P 2587 JAB."

NSFF received two new board members in late May 2004.

Prior to that, the Foundation's past chairman, Martin Arnoldini, had resigned in April 2004 after pleading guilty to a felony charge unrelated to his work at NSFF. Two other board members resigned shortly thereafter, while the Foundation was attempting to work through financial and legal difficulties.

Tyron Lewis was the sole board member for several weeks, before two new members came aboard.

The board approved a motion to declare Chapter 11 Bankruptcy.

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Under Chapter 11 Bankruptcy, organizations continue to operate under a “reorganization.” They also create a plan to potentially pay creditors.

Ch. 11 information is available at www.rendlerlaw.com/chapter_11.html.

The board also resolved to remove Cameron Lewis as NSFF president on Monday, May 31, by a majority vote. Shortly after the vote, Tyron Lewis resigned.

NSFF legal counsel filed the complaint against members of the Lewis family and others, upon reviewing findings by an independent auditor.

The new board members have also been actively working to restructure NSFF.

The board appointed a new president, Jeffery Peterson, to lead the Foundation. Peterson immediately announced his plans to dramatically cut the foundation’s spending including the initiation of Foundation layoffs, which went into effect on Thursday, June 3.

Peterson says he and the board members will be continuing to conduct an internal audit and are currently revising the Foundation’s previous business plan. They are also seeking additional board members.

He says the Foundation’s goal will remain the same—to combat childhood inactivity and obesity by doing everything possible to help schools with the L.I.F.T. (Leadership in Fitness Training) America Program.

Peterson says the Foundation’s fundraising efforts are and will continue to be focused on helping schools that already have the Program.

“Like the other NSFF employees, I am dedicated to assisting the hundreds of schools participating in the Foundation’s L.I.F.T. America Program,” he said.

Peterson says his desire is to secure caring donors as soon as possible.

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“We can only say that many people around the country firmly believe the L.I.F.T. America Program is the nation’s solution to the obesity epidemic,” he said. “We hope that will encourage people to help schools that have chosen to take part in it.”

Peterson said the Foundation wants to raise millions for schools.

“Although much of the Foundation’s literature states that the Foundation cannot guarantee to raise all of the money, we are committed to raising as much of it as possible,” he said.

According to the U.S. Department of Health and Human Services, obesity-related illnesses cost America \$117 billion in 2000.

“As childhood obesity levels continue to rise, the cost to our nation continues to escalate,” he said. “We are continuing to operate because we feel America’s youth still need our help fighting the chilling effects of obesity.”

The Foundation’s remaining employees have continued to work on behalf of the more than 600 L.I.F.T. America schools—even though the current bankruptcy situation has forced employees not to receive a paycheck since mid May.

“Many sincerely good, hard-working people have worked at the Foundation, who honestly hoped to help schools and fight the devastating effects of obesity rampant among our young people today,” Peterson said.

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